Amendment No. 2 to SB1484

Henry
Signature of Sponsor

AMEND   Senate Bill No. 1484*   House Bill No. 864

by deleting Section 5 of the bill as amended by House Commerce Committee Amendment No. 1

(HA0194) and by substituting instead the following:

SECTION 5. To the extent that a person engaged in the business of providing

telecommunications services subject to tax under Title 67, Chapter 6 experiences a net

tax savings solely as a result of receiving a payment under Section 4 of this act, such net

tax savings shall inure to the benefit of the business customers of such person through

an adjustment in the price of telecommunications services provided by such person,

including business and interconnection services. The first such price adjustment shall

be effective as of January 1, 2002, based on each company's estimated share of the

payments projected by the department of revenue to be made under Section 4 of this act

on or before June 30, 2003. Subsequent price adjustments shall be effective as of

October 1, 2003, and as of October 1 of each year thereafter, based on the actual

payment received by each company under Section 4 of this act with respect to the

immediately preceding June 30 payment date and taking into account the cumulative

amount of price adjustments previously implemented. Each incumbent local exchange

telephone company providing services pursuant to a price regulation plan in accordance

with Section 65-5-209 shall adjust its aggregate revenue cap computed under such plan

by the amount of the net tax savings experienced solely as a result of receiving a

payment under Section 4 of this act. For purposes of this section, "net tax savings" shall

take into account and be reduced by any reduction in a company's settlements due to

the company complying with Title 47, Parts 36 and 69 of the Code of Federal

Regulations.

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